

Exhibit 1

PS EH&S Quarterly Update

Monday February 23, 2004

Air Opportunities Short-Term Permit/Reg. Compliance

■ NSR- New Source Review - *Uncertainty.*

Risk – unknown

Cost – unknown

- ◆ *Currently have Trinity contracted to analyze MK 5 changes 4/11/03.*
- ◆ *Have report and have redlined for Trinity 6/30/03.*
- ◆ *This has expanded to include MK 4. We have met with the ODEQ Air Staff including their Legal and have an agreement that our changes do not warrant a consent order or permit change. We will have to monitor emissions after changes to be able to demonstrate no significant increase (> 40 ton/yr) as a result of the work. 11/3/03*
- ◆ *We have now developed a strategy and process to operate MK 4 within the cap requirements to prevent NSR issues with this unit. We have also implemented the same process as used on MK4 to evaluate the other units receiving needed maintenance projects. 2/23/04*